



Control Number: 51415



Item Number: 271

Addendum StartPage: 0

SOAH DOCKET NO. 473-21-0538  
PUC DOCKET NO. 51415

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APPLICATION OF SOUTHWESTERN §  
ELECTRIC POWER COMPANY FOR §  
AUTHORITY TO CHANGE RATES §  
BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS


**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO EAST TEXAS  
ELECTRIC COOPERATIVE, INC. AND NORTHEAST TEXAS ELECTRIC  
COOPERATIVE, INC.'S SECOND REQUEST FOR INFORMATION**

**MARCH 22, 2021**

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**Files provided electronically on the PUC Interchange**

 ETEC-NTEC\_2-3\_Attachment\_1.xlsx

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**Question No. ETEC-NTEC 2-1:**

Please provide working electronic files used to determine and/or support the functionalization of all Hurricane Laura related costs included in SWEPCO's proposed revenue requirement on a total system basis and by jurisdiction. Include copies of all spreadsheets, documents, workpapers, and analyses.

**Response No. ETEC-NTEC 2-1:**

There are no Hurricane Laura related costs included in SWEPCO's proposed revenue requirement.

Prepared By: Tiffany A. Powell Day

Title: Regulatory Acctg Case Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

Sponsored By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

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**Question No. ETEC-NTEC 2-2:**

Please refer to Schedule P-1.1, page 5 of 25. Describe and provide the amount of all major causes of the FERC wholesale revenue surplus amount of \$8,239,877 shown on line 49.

**Response No. ETEC-NTEC 2-2:**

SWEPSCO's wholesale customers take service pursuant to FERC approved contracts and do not follow the retail ratemaking practices utilized in the cost-of-service filed in this proceeding. The calculated FERC wholesale revenue surplus has no impact on SWEPSCO's Texas retail cost-of-service.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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**Question No. ETEC-NTEC 2-3:**

Please refer to Schedule P-2, page 1 of 25, line 9. Describe all amounts included as “non-eligible” fuel expenses in Account 501. Also provide copies of all documents, studies, electronic files and workpapers that support and/or determine the amounts.

**Response No. ETEC-NTEC 2-3:**

Please see ETEC-NTEC 2-3 Attachment 1 for detail of non-eligible fuel. Non-eligible fuel costs include coal and lignite handling at the plant site, related expenses, revenues, and removal of fly ash, miscellaneous fuels department payroll, and fuel sample testing costs. These costs are included in Accounts 5010000, 5010003, 5010012, and 5470004. All test-year expenses in these accounts are considered non-eligible. Additionally, the equity component of the charges for lignite supplied by DHLC and SWEPCO's share of Flint Creek, Welsh, and Turk railcar maintenance is non-eligible.

The details of non-eligible fuel costs by type are provided at ETEC-NTEC 2-3 Attachment 1, WP Gen Fuel per Book tab. Supporting calculations for the railcar maintenance costs in Columns F & G of the WP Gen Fuel per Book tab are provided within the Railcar Maint tab. Included in the Railcar Maint tab at Columns C, E, and G are references to ETEC-NTEC 2-3 Confidential Attachment 2, which details test year railcar maintenance costs by month for the Flint Creek, Welsh, and Turk plants. The Pirkey Overhead non-eligible costs shown in Column H of the WP Gen Fuel per Book tab are detailed within the Pirkey Overheads tab of ETEC-NTEC 2-3 Attachment 1. The non-eligible DHLC Equity charges shown in Column I of the WP Gen Fuel per Book tab are detailed within the DHLC Equity- SWEPCO TX tab of ETEC-NTEC 2-3 Attachment 1.

Attachment 2 responsive to this request is CONFIDENTIAL MATERIAL under the terms of the Protective Order. Due to current restrictions associated with COVID-19, this information is being provided electronically and a secure login to access the information will be provided upon request to individuals who have signed the Protective Order Certification.

Prepared By: Tiffany A. Powell Day

Title: Regulatory Acctg Case Mgr

Sponsored By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

SOAH Docket No. 473-21-0538  
PUC Docket No 51415  
ETEC-NTEC 2nd RFI, Q. # ETEC-NTEC 2-3  
Attachment 1  
Page 1 of 4

SOUTHWESTERN ELECTRIC POWER COMPANY  
GENERATION FUEL  
ACCOUNTS 5010 AND 5470 PER BOOK

	Fuel	Fuel Consumed	Fuel Procure Unload & Handle	Ash Sales Proceeds	Fuel Survey Activity	Lignite Consumed	Fuel Oil Consumed	Nat Gas Consumed Steam	Transp Gas Consumed Steam	Gas Transp Res Fees Steam	Gas Transp Res Fees CC	Nat Gas Consumed CC	Transportation Gas CC	Fuel Gas Turbine	Gas Transp Res Fees CT	Fuel - Gas Turb - Purch / Hand	Gas Transp Fees CT	Total
Peoplesoft Acc.	5010000	5010001	5010003	5010012	5010013	5010018	5010019	5010020	5010021	5010034	5010035	5010036	5010037	5470001	5470003	5470004	5470005	
Apr 19	512 614	10 302 489	624 370	(1 040 045)	(194 743)	12 880 580	148 158	1 673 465	33 965	251 375	512 100	4 343 024	26 118	884 659	472 500	(0)	7 591	31 438 217
May 19	1 017 616	15 127 323	794 374	(1 057 938)	(574 384)	18 613 842	154 401	2 804 864	996 748	248 875	529 170	3 644 695	20 752	917 333	488 250	0	43 630	43 659 361
Jun 19	425 016	17 164 885	999 034	777 011	(377 135)	21 388 063	108 897	2 834 775	(927 653)	248 875	512 100	5 154 892	19 151	332 860	472 500	0	28 134	40 178 665
Jul 19	732 558	17 877 471	998 484	(806 105)	(480 612)	23 472 736	207 915	3 531 526	40 840	248 875	529 170	5 661 295	23 232	1 000 649	488 250	0	13 687	53 537 972
Aug 19	340 868	17 590 760	986 894	(681 655)	(428 874)	24 442 725	109 015	3 395 928	20 007	248 891	529 170	5 725 691	37 724	258 893	488 250	(0)	46 780	53 511 074
Sep 19	513 200	17 140 965	753 134	(394 562)	(428 874)	11 557 598	51 702	4 259 668	59 403	248 875	512 100	4 380 692	29 160	646 692	472 500	0	2 059	39 804 345
Oct 19	888 116	12 021 739	587 169	(283 968)	(428 874)	846 655	300 727	766 259	54 741	248 875	529 170	1 154 347	17 050	303 438	488 250	0	30 704	17 524 400
Nov 19	392 673	16 418 204	813 842	(471 770)	0	3 741 252	210 523	1 839 966	30 723	248 375	512 100	(39 324)	149	234 624	472 500	0	18 633	24 469 379
Dec 19	917 189	12 189 780	819 136	(414 678)	(95 748)	5 738 408	172 767	1 023 854	29 824	248 375	529 170	598 307	1 801	16 801	488 250	(0)	14 436	21 785 947
Jan 20	294 261	9 993 517	775 580	(353 197)	(92 997)	8 093 619	49 415	623 364	7 228	251 375	529 170	4 473 554	27 111	60 118	488 250	(0)	748	25 211 136
Feb 20	247 040	9 646 453	787 021	(534 130)	(96 808)	9 649 865	36 045	876 528	14 980	252 663	495 030	4 573 201	23 583	3 320	456 750	(0)	29	26 424 580
Mar 20	263 321	9 754 471	740 332	(510 099)	(96 090)	8 628 879	44 308	711 812	11 730	253 950	529 170	3 766 655	22 412	(19)	488 250	(0)	0	23 608 883
Total	6,144,475	166,610,037	9,637,898	(5,781,133)	(3,294,136)	149,051,932	1,585,976	24,450,627	377,513	2,995,379	6,247,620	43,357,061	248,274	4,549,505	5,764,900	(0)	206,431	410,151,530
	non		non	non											non			

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Fuel Handling	Lignite Mine Closing	Non-Eligible Generation Fuel	AEPPSC Labor	Railcar Maint	Railcar Maint	AEPPSC Overheads	DHLC Equity
Month								Total
Apr 19	98 539			212 102	151 177		73 765	109 556
May 19	744 051			249 841	193 741		58 424	1 070 978
Jun 19	2 161 063			128 017	(89 166)		85 263	2 395 539
Jul 19	922 537			435 735	139 211		58 570	1 670 897
Aug 19	646 108			284 530	80 725		61 085	1 204 658
Sep 19	871 972			297 789	114 480		98 805	1 170 201
Oct 19	1 191 319			372 065	110 122		80 263	1 873 043
Nov 19	734 744			855 856	465 968		100 703	2 277 024
Dec 19	921 650			(4 152)	(20 615)		79 216	1 097 949
Jan 20	716 544			212 839	153 407		84 188	1 290 068
Feb 20	499 931			212 449	111 734		84 721	1 035 027
Mar 20	493 254			31 001	87 002		61 524	127 499
TOTAL	10 000 910	A	-	3 299 601	1 523 775		906 951	1 418 466

Proforma adjustments

A 3 1 Payroll	1,450
A 3 2 Annual Incentives	(5,803)
A 3 3 Long Term Incentives	(256)
A 3 18 AEPPSC billings	(42,056)
Total	17,099,550
	17,099,550 Per P 2

A Consists of the following

Account 5010000	5 144 475
Account 5010003	9 637 558
Account 5010012	(5 781 132)
Account 5470004	(0)
	10 000 910

B Please note there is a \$1873 difference between the January 2020 DHMC Equity amount reflected above and related support at DHLC Equity-SWEPSCO TX tab. The January 2020 amount above is correct and was reflected in SWEPSCO's fuel model. Per discussion with Regulated Accounting, the support file was not updated for a late journal entry.

SOUTHWESTERN ELECTRIC POWER COMPANY  
GENERATION FUEL  
RAILCAR MAINT- NON-ELIGIBLE

ETEC-NTEC 2-3 Attachment 2			ETEC-NTEC 2-3 Attachment 2			ETEC-NTEC 2-3 Attachment 2		
<u>Month</u>	<u>Flint Creek</u>	<u>Tab/Cell Reference</u>	<u>Welsh</u>	<u>Tab/Cell Reference</u>	<u>Railcar Maint</u>	<u>Turk</u>	<u>Tab/Cell Reference</u>	
Apr-19	1,653.60	FC Apr 19 tab Cell Y94	210,448.10	Welsh Apr 19 tab Cell U94	151,177		Turk Apr 19 tab Cell AE99	
May-19	(95,246.45)	FC May 19 tab Cell Y94	345,087.34	Welsh May 19 tab Cell U94	193,741		Turk May 19 tab Cell AE99	
Jun-19	33,977.27	FC Jun 19 tab Cell Y94	92,039.49	Welsh Jun 19 tab Cell U94	(69,166)		Turk Jun 19 tab Cell AE99	
Jul-19	100,400.04	FC Jul 19 tab Cell Y94	335,335.30	Welsh Jul 19 tab Cell U94	139,211		Turk Jul 19 tab Cell AE99	
Aug-19	53,657.81	FC Aug 19 tab Cell Y94	241,271.88	Welsh Aug 19 tab Cell U94	86,725		Turk Aug 19 tab Cell AE99	
Sep-19	62,770.10	FC Sept 19 tab Cell Y94	235,018.93	Welsh Sept 19 tab Cell U94	114,480		Turk Sept 19 tab Cell AE99	
Oct-19	54,812.52	FC Oct 19 tab Cell Y94	317,282.87	Welsh Oct 19 tab Cell U94	110,122		Turk Oct 19 tab Cell AE99	
Nov-19	238,977.91	FC Nov 19 tab Cell Y94	616,977.85	Welsh Nov 19 tab Cell U94	465,958		Turk Nov 19 tab Cell AE99	
Dec-19	(91,323.96)	FC Dec 19 tab Cell Y94	87,171.89	Welsh Dec 19 tab Cell U94	(20,615)		Turk Dec 19 tab Cell AE99	
Jan-20	54,266.29	FC Jan 20 tab Cell Y94	158,572.32	Welsh Jan 20 tab Cell U94	153,407		Turk Jan 20 tab Cell AE99	
Feb-20	49,231.96	FC Feb 20 tab Cell Y94	163,217.04	Welsh Feb 20 tab Cell U94	111,734		Turk Feb 20 tab Cell AE99	
Mar-20	(165.00)	FC Mar 20 tab Cell Y94	31,165.90	Welsh Mar 20 tab Cell U94	87,002		Turk Mar 20 tab Cell AE99	
TOTAL	463,012.09		2,833,589		1,523,775			

AEPSC/Pirkey Fuels Overheads - SWEPCO Only

Date	AEPSC Over- heads	Overheads PFO Related	Total
Mar-19	\$15,916.66	\$57,848.48	\$73,765.14
Apr-19	\$20,161.72	\$38,262.16	\$58,423.88
May-19	\$25,184.36	\$40,099.13	\$65,283.49
Jun-19	\$21,571.10	\$36,998.46	\$58,569.57
Jul-19	\$22,849.08	\$38,239.14	\$61,088.22
Aug-19	\$31,799.33	\$67,005.43	\$98,804.76
Sep-19	\$28,370.40	\$51,892.22	\$80,262.63
Oct-19	\$40,665.35	\$60,037.85	\$100,703.20
Nov-19	\$24,238.70	\$54,977.45	\$79,216.15
Dec-19	\$28,103.00	\$56,085.00	\$84,188.00
Jan-20	\$27,841.91	\$56,879.58	\$84,721.48
Feb-20	\$21,625.25	\$39,899.22	\$61,524.47
	<u>\$308,326.86</u>	<u>\$598,224.12</u>	<u>\$906,550.98</u>



**TX Deferral - SWEPCO Share**

	<b>Net Income</b> ( Whole Dollars)	<b>SWEPCO Share Net Income 40.234%</b>	<b>Taxes (calculated) 58.48%</b>
Apr-19	171,976	69,193	40,463
May-19	174,050	70,027	40,951
Jun-19	176,190	70,888	41,454
Jul-19	179,172	72,088	42,156
Aug-19	181,623	73,074	42,733
Sep-19	183,809	73,954	43,247
Oct-19	187,013	75,243	44,001
Nov-19	188,927	76,013	44,451
Dec-19	191,101	76,888	44,963
Jan-20	195,825	78,788	46,074
Feb-20	197,909	79,627	46,564
Mar-20	199,960	80,452	47,047
Total	2,227,556	896,235	524,104

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**Question No. ETEC-NTEC 2-4:**

Please refer to Schedule P-2, page 2 of 26, line 17. Describe and list the amounts included on line 17 as "5757-SPP Admin-11 AM & SC. Also, explain the reasons for the jurisdictional allocation methodology.

**Response No. ETEC-NTEC 2-4:**

The amounts included in Account 5757-SPP Admin (Schedule P-2, page 2 of 26, line 17) are the test year charges for Schedule 12 FERC Assessment Charges incurred by SWEPCO. Pursuant to the SPP OATT, the transmission provider is subject to annual charges assessed by the FERC pursuant to Part 382 of its regulations (the "FERC Assessment"). The tariff applies to all energy delivered under Point-To-Point Transmission Service and Network Integration Transmission Service and to all energy delivered to Bundled Retail and Grandfathered Loads. The jurisdictional allocation on DEMTRANS (jurisdictional load ratio shares at the time of the SPP peak) appropriately allocates the costs to jurisdictions consistent with past Commission practices.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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**Question No. ETEC-NTEC 2-5:**

Please refer to Schedule P-3, page 2 of 25, column (7). Provide all electronic files, maps, one-line diagrams, analysis, studies, documents, and workpapers that determine and support the amounts on lines 2 through 20 of column (7).

**Response No. ETEC-NTEC 2-5:**

There should be no direct assigned costs to the wholesale class on Schedule P-3, page 2 of 25, column (7). These costs were inadvertently assigned to the wholesale class and will be corrected in SWEPCO's rebuttal filing. Revenues are collected from the wholesale customer for the associated investments reducing the amounts to be collected from other jurisdictions.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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**Question No. ETEC-NTEC 2-6:**

Please describe the items included in rate base as intangible plant. For each item, provide the test year plant amount. In addition, describe and support the methodology used to functionalize intangible plant to the production, transmission, and distribution functions.

**Response No. ETEC-NTEC 2-6:**

Please see Staff 5-65 Attachment 1 for the items included in rate base as intangible plant. Intangible Plant is functionalized using the book balance to allocate the test year balances to functions.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Prepared By: James D. Spring

Title: Regulatory Acctg Case Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

Sponsored By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

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**Question No. ETEC-NTEC 2-7:**

Please refer to Schedule P-3, page 4 of 25, line 37. Explain how and why "Sabine Mine Closing" amount was directly assigned to the jurisdictions. Also, describe to basis for the total amount of \$64,960,236.

**Response No. ETEC-NTEC 2-7:**

The Sabine Mine Closing amounts are directly assigned to jurisdictions due to the recovery mechanism approved by the different commissions and the different commission-approved interest rates that are applied to the principal balance. Please see the direct testimony of SWEPCO witness Michael Baird (page 47, lines 5-11) and WP B-1.5.13 (Mine Reclamation).

Prepared By: John O. Aaron

Title: Dir Reg Pricing & Analysis

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

Sponsored By: Michael A. Baird

Title: Mng Dir Acctng Policy & Rsrch

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**Question No. ETEC-NTEC 2-8:**

Please refer to Schedule P-11. Provide a working electronic copy of the Distribution Plant Study referred to in footnote (2).

**Response No. ETEC-NTEC 2-8:**

A working Excel copy of the Distribution Plant Study was provided in NUCOR 3-19 Attachment 1.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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**Question No. ETEC-NTEC 2-9:**

Please refer to Schedule P-4, page 2 of 130. Explain and support why the amount of Miscellaneous Distribution expenses booked to Account No. 588 (\$7,788,799) is approximately 69% of the total test year distribution operations expenses (\$11,275,762). Provide a list of all major expenses included in Account No. 588 that exceeded \$100,000. For each item listed, provide the amount, a description of the expense, and support for functionalizing the amount to primary and secondary based on distribution plant.

**Response No. ETEC-NTEC 2-9:**

Please see ETEC-NTEC 2-9 Attachment 1. FERC Account 588 (Miscellaneous Distribution Expenses) accounts for expenses not provided for elsewhere in distribution operation and maintenance expense accounts. Functionalizing this amount to primary and secondary (and customer) based on distribution plant reflects the miscellaneous nature of this account supporting all distribution functions (primary, secondary and customer).

Prepared By: Paul D. Flory

Title: Regulatory Consultant Sr

Prepared By: John O. Aaron

Title: Dir Reg Pricing & Analysis

Sponsored By: Drew W. Seidel

Title: VP Dist Region Ops

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

Description	Amount
No Longer Needed Material	118,754
Labor Dist Under Reported Time	122,369
General Ledger Expense	1,612,137
Non Productive Payroll	216,507
Workplace Services	660,308
Service Company Charges	149,767
Fleet	105,449
Miscellaneous All Other	470,000
Items Less than \$100K	10,106
ORM and ERM Implementation	189,942
Hazardous Waste Disposal	175,801
Underground Network Maintenance	196,243
Customer Solutions Center	267,828
Miscellaneous Distribution Activities	11,409,051
Fleet	1,144,605
Fringe Benefits	277,777
Incentives	993,919
Internal Labor	6,528,550
Materials & Supplies	1,122,146
Other Overheads	188,347
Outside Services	659,023
Travel & Entertainment	328,123
Items Less than \$100K	166,561
Fire Retardent Clothing	344,304
Safety Meetings	934,702
Failed Equipment	310,533
Attachment Rentals	169,359
Distribution Line Tools	162,556
DTC General Business Unit Support	108,908
Telecommunications Expense	1,148,507
Training	1,763,614
Underground Locates	373,016
	19,407,624
Items Less than \$100K	609,982
Total	20,017,606

Total Company charges to account 588  
April 1, 2019 - March 31, 2020



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**Question No. ETEC-NTEC 2-10:**

Please refer to the direct testimony of SWEPCO witness Michael Baird, page 13, lines 14-20, and page 31, lines 4-13. Please explain and support how the \$1,689,700 is functionalized to generation, transmission and distribution, and how the distribution amount is further functionalized to primary and secondary.

**Response No. ETEC-NTEC 2-10:**

The \$1,689,700 amount described in the direct testimony of SWEPCO witness Michael Baird (page 31, lines 4-13) was recorded in FERC Account 924 (Property Insurance) and allocated to jurisdictions based on total electric plant in service. A total electric plant in service allocation is an appropriate allocation basis for expenses recorded in FERC Account 924 reflecting cost/causation principles. The amount was functionalized to generation, transmission, and distribution (primary and secondary) based on total electric plant in service allocations.

Prepared By: John O. Aaron

Title: Dir Reg Pricing & Analysis

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis